

**LETTER OF UNDERSTANDING
ARTICLE 35
DRUG AND ALCOHOL TESTING**

During the negotiations in 2004, the parties discussed reducing the percentage of employees who are subject to random drug and/or alcohol testing. The Employer agreed to reduce the number of random tests to 10% of the number of test-designated positions in the pool for a one-year period beginning in October 2005. If after one year there is a significant increase in the percentage of positive tests, the Employer reserves the right to return to 15%. If there is a significant reduction in the percentage of positive test results, the Employer will meet with the Union to discuss the issue of further reduction in the percentage of employees randomly tested.

For the Union
Edward A. Novak 10-28-04

For the Employer
Jan F. Miller 10-28-04

**LETTER OF UNDERSTANDING
UNION USE OF STATE'S E-MAIL SYSTEM**

Where access to the state's e-mail system is otherwise available, the employer agrees to permit use of the state's existing e-mail system by union staff, union officers and union stewards for legitimate union business. Any use of the state's e-mail system by a bargaining unit employee for legitimate union business must take place on non-work time only, including the review of any such union materials transmitted.

All legitimate union business transmitted through the state's e-mail system must be clearly identified as a union communication in the subject line, and must be of a reasonable size, volume, and frequency. The employer shall have no liability to the union or an employee for the delivery or security of such transmittals.

No partisan political, or profane materials, or materials related to union elections, or materials defamatory or detrimental to the state, to the union, or to an individual employee, may be transmitted through the state's e-mail system. The employer reserves the right to block any and all such material. The state's e-mail system is not private and may be monitored at any time.

In the event the office of the state employer determines that the union's use of the state's e-mail system violates provisions of this letter of understanding, upon notice from the office of the state employer, the union shall promptly take steps to correct the violation. In the event of a repeat violation, the office of the state employer and the union shall meet and resolve the issue.

The program will continue for the duration of the agreement unless the office of the state employer identifies problems that cannot be resolved after meeting with the union. The office of the state employer reserves the right to cancel the program if the parties fail to resolve any identified problem(s).

For the Union
Cindy Kalinowski 11-04-04

For the Employer
Cheryl Schmittiel 11-04-04

**LETTER OF UNDERSTANDING
SEIU LOCAL 517M, SCIENTIFIC AND ENGINEERING UNIT
OPTIONAL COVERAGES PROGRAM**

Upon Civil Service Commission approval an Optional Coverages Program (OCP) will be implemented for State of Michigan employees. Plans to be offered initially under the OCP are expected to include voluntary group term life insurance, universal life insurance, critical illness insurance, and group home and auto insurance. Additional plans may be offered at later dates.

The parties agree the Employer may extend the OCP to employees in the Scientific and Engineering bargaining unit. Employees who choose to voluntarily participate in the OCP may elect to enroll in one or more of the plans offered upon the terms and conditions set forth by the provider of the specific optional coverage plan(s). Employees who choose to not participate in the OCP will not have any optional coverages.

Premiums required for any OCP plan in which the employee enrolls are the sole responsibility of the employee. Payment may be made through payroll deduction or direct bill as permitted by the specific plan.

In the event any optional coverage plan is canceled or withdrawn, employees enrolled in the plan will be sent written notice at least 30 calendar days in advance of the coverage end date.

FOR THE UNION

FOR THE EMPLOYER

LETTER OF UNDERSTANDING Banked Leave Time Program

1. Eligibility.

Permanent and limited-term, full-time, part-time, seasonal, and intermittent, probationary and non-probationary employees shall be required to participate in the banked leave time program (program). Non-career employees are not eligible to participate in the program.

2. Definitions and Description of Program.

An eligible employee shall work a regular work schedule, but receive pay for a reduced number of hours. The employee's pay shall be reduced by four (4) hours per pay period for full-time employees, and by a pro rata number of hours for less than full-time employees. The employee will be credited with a like number of banked leave time (BLT) hours for each biweekly pay period.

3. Hours Eligible for Conversion to Program.

The number of BLT hours for which the employee receives credit shall be accumulated and reported periodically to participating employees. During the term of this Letter of Understanding, an employee shall not be able to accumulate in excess of 184 BLT hours. Accumulated BLT hours shall not be counted against the employee's annual leave cap, known as part a hours under the annual and sick leave program.

The employee shall be eligible to use the accumulated BLT hours in a subsequent pay period in the same manner as annual leave, pursuant to article 21.

4. Timing of conversion of unused program hours.

Upon an employee's separation, death or retirement from state service, unused BLT hours shall be contributed by the state to the employee's account within the State of Michigan 401(k) plan, and if applicable to the State of Michigan 457 plan. Such contributions shall be treated as non-elective employer contributions, and shall be calculated using the product of the following: (i) the number of BLT hours and, (ii) the employee's base hourly rate in effect at the time of the contribution.

If the amount of a projected contribution would exceed the maximum amount allowable under section 415 of the internal revenue code (when combined with other projected contributions that count against such limit), the state shall first make a contribution to the employee's account within the State of Michigan 401(k) plan up to the maximum allowed, and then make the additional contribution to the employee's account within the State of Michigan 457 plan.

5. Insurances, Leave Accruals and Service Credits.

Retirement service credits, overtime compensation, longevity compensation, step increases, continuous service hours, holiday pay, annual and sick leave accruals will continue as if the employee had received pay for the BLT hours. Premiums, coverage and benefit levels for insurance programs (including ltd) in which the employee is enrolled will not be changed as a result of participation in the program. Employees shall incur no break in service due to participation in the program. The program is not intended to have an effect on the final average compensation calculations under the state's defined benefit plan nor the salary used for employer contribution calculations under the state's defined contribution plan.

6. Relationship to Plan A and Plan C.

Before incurring unpaid Plan A or Plan C hours all BLT hours must be exhausted.

7. Term.

The program shall be effective the pay period beginning January 2, 2005. The pay reduction and accrual provisions of this letter of understanding shall be in effect through the pay period ending October 22, 2005 unless extended by mutual agreement of the parties.

For the Union
Edward A. Novak 10-28-04

For the Employer
Jan F. Miller 10-28-04

**Letter of Understanding
Article 29
Working Out Of Class**

During the negotiations in 2007, the parties acknowledge the Civil Service Commission's current rule identifying working out of class as a prohibited subject of bargaining. Accordingly, the parties jointly agreed not to conduct negotiations over the subject at this time.

In the event the Civil Service Commission Rule is amended to permit negotiating working out of class, the parties will commence negotiations, upon the request of the Union, and subject to such restrictions as the Civil Service Commission may establish. Previous language in Article 29 of the Agreement will be used as a starting basis for negotiations.

FOR THE UNION
Cindy Mason

FOR THE EMPLOYER
Cheryl Schmittiel

**Letter of Understanding SEIU Local 517M
Scientific and Engineering Unit**

Commercial Drivers License

In accordance with Public Act 346 of 1988, a valid Commercial Drivers License (CDL) is required in order to perform certain duties. The parties agree the following provisions apply to Scientific and Engineering Bargaining Unit employees who volunteer to be assigned duties that require possession of a CDL, and who are so assigned those duties by the employer.

- A. The employer will reimburse the cost of obtaining and renewing the required CDL group license and endorsements for those employees in positions where duties requiring such license and endorsement(s) are assigned. License and endorsement requirements will be determined by management.
- B. The employer will reimburse, on a one time basis, the fee for the skills test, if required, provided the skills test is not being required because of the employee's poor driving record. In that case, the employee is responsible for the cost of the skills test. Where a skills test is required, the employee will be permitted to utilize the appropriate state vehicle.
- C. Employees shall be eligible for one grant of administrative leave to take the test to obtain or renew the CDL. Should the employee fail the test initially, the employee shall complete the necessary requirements on non-work time.
- D. Employees who fail required tests may seek a 90 day extension of their current license. The employer shall not be responsible for any fees associated with such extensions.
- E. Employees required to obtain a medical certification of fitness in order to perform duties requiring a CDL shall have the "Examination to Determine Physical Condition of Drivers" form filed in their medical file. A copy of the medical "Examiners Certificate" shall be placed in their personnel file. The employer agrees to pay for the examination and to grant administrative leave for the time necessary to complete the examination.
- F. Employees who do not meet the required physical standards but who are otherwise qualified for a CDL may apply for a waiver to the Motor Carrier Appeal Board.
- G. An employee who is assigned duties requiring a CDL is subject to the drug and alcohol testing provisions for a safety-sensitive position in accordance with Article 35 of the Collective Bargaining Agreement and existing department policy, procedures, and work rules.
- H. Whenever a CDL is referred to in this Letter of Understanding, it is understood to mean the CDL and any required endorsements).

Nothing herein limits the employer's right to require the possession of a CDL where the assigned duties so require.

Any issues of concern that may arise over the implementation of this Letter of Understanding are appropriate subjects to address in a labor management conference in accordance with Article 6 of the Collective Bargaining Agreement.

For the Union
Cindy Mason 4/28/08

For the Employer
Cheryl Schmittiel 4/28/08

**LETTER OF UNDERSTANDING
ARTICLE 36, MISCELLANEOUS
FEDERAL BICYCLE COMMUTER BENEFIT**

During the course of negotiations in 2011, the Office of the State Employer and SEIU Local 517M, Scientific and Engineering Unit, agreed to establish a joint committee for the purpose of reviewing benefits provided under the Federal Bicycle Commuter Benefit.

Any changes that would modify the Collective Bargaining Agreement would be implemented in a separate Letter of Understanding that would be submitted to the Civil Service Commission for approval.

For the Union

For the Employer

**Letter of Understanding
SEIU Local 517M, Scientific and Engineering Unit
And
State of Michigan, Office of the State Employer

Joint Healthcare Committee**

During the 2011 negotiations, the parties discussed the mutual goal of designing and implementing health care plans, including ancillary plans, that effectively manage costs and that work to keep members healthy. To that end, the Employer and the Unions will convene a Joint Healthcare Committee (the "Committee") whose charges will include, but not be limited to:

- a. Analysis of current plan performance identifying opportunities for improvement;
- b. Investigate potential savings opportunities from re-contracting pharmacy or other carrier contracts;
- c. Review the current specialty pharmacy program and identify best-in-class specialty programs to use as a benchmark;
- d. Analyze current HMO plans to determine if they are a cost-effective means of providing high quality health care;

- e. Investigate impact on outcomes and costs of Value Based Benefit Designs;
- f. Identify opportunities for cost-containment programs and carve out programs;
- g. Investigate opportunities to save costs by modifying or otherwise limiting medical, professional and pharmacy networks;
- h. Review current chronic care management programs to determine effectiveness as well as ongoing member compliance;
- i. Investigate work place health and wellness programs and make recommendations with the goal of educating and motivating employees toward improved health and wellbeing;
- j. Make recommendations to increase voluntary participation in health and wellness screenings and benefits included in current health plans;
- k. Identify educational opportunities relative to facility and professional provider quality data, as well as designated centers of excellence.

As mutually agreed by the parties, independent subject matter experts and consultants may be called upon to assist the Committee in carrying out their charges.

Within 30 days of the effective date of the Agreement, each union shall appoint a representative to serve on the Committee and the Employer shall designate up to four representatives. The Committee will be jointly chaired by a representative designated by OSE and a representative designated by the Unions.

Monthly meetings of the Committee shall be scheduled with the first being held no later than 45 days following the effective date of the Agreement.

For the Union

For the Employer

**Letter of Understanding
SEIU Local 517M, Scientific and Engineering Unit
And
State of Michigan, Office of the State Employer**

New Solutions Committee

During the 2011 negotiations, the parties discussed the role of labor management cooperation and collaboration in providing more efficient delivery of services to the citizens of Michigan. The parties recognize that the efficient delivery of services to the public should be mindful of the cost effectiveness, quality of delivery, accountability and public interest. The discussion encompassed the Unions' New Solutions Report, which

encourages all stakeholders to work together in an open dialogue manner to achieve best in class public service.

The parties agreed to approach the New Solutions Report jointly with the goal of facilitating the development of positive programs relative to the effective use of resources. Such effective use of resources may include self-directed work teams or other empowerment initiatives as agreed by the parties to provide front line workers with the support needed to effectively perform their jobs.

The parties recognize that Lean Optimization can be a valuable tool in achieving the effective use of resources. Lean Optimization has the simple goal of helping state government work better for both its customers and its employees. Lean practices rely on joint participation between employees and management at all levels within the State. World class service cannot occur without such employee involvement.

Within sixty (60) days of the effective date of the Collective Bargaining Agreement, a New Solutions Committee will be established to explore innovative solutions to deliver better customer service and pursue better value from those who deliver the services. Each of the Coalition Unions may designate two (2) representatives to meet with the Office of the State Employer. Representatives from the Departments and/or the Civil Service Commission may participate as needed. The Committee will determine the meeting schedule and agenda. The parties agree on the value of utilizing outside independent facilitators trained in business lean practices and will explore funding alternatives to engage mutually agreed upon lean consultants.

For the Union

For the Employer